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STATEMENT OF
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BEFORE THE
SUBCOMMITTEE ON GOVERNMENT MANAGEMENT,
FINANCE AND ACCOUNTABILITY
HOUSE GOVERNMENT REFORM COMMITTEE
UNITED STATES HOUSE OF REPRESENTATIVES
ON
"THE PROCESS OF TRAVEL REIMBURSEMENT FOR
DEPLOYED NATIONAL GUARD TROOPS"
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Chairman Platts, Distinguished Members of the Subcommittee, my name is Pat Shine, and I am the Director of the Military and Civilian Pay Services Business Line for the Defense Finance and Accounting Services (DFAS). Thank you for this opportunity to discuss our role in the travel reimbursement payment process to mobilized soldiers.

DFAS shares the responsibility to provide timely and accurate travel reimbursement payments and customer service with the active and Reserve Components of the military departments. DFAS has the primary responsibility of processing travel reimbursements to the Mobilized Army National Guard, United States Army Reserve, and Active duty Army forces.

We accomplish this important mission by using a combination of military personnel, Department of Defense civilians, and contract employees. For the fiscal year that ended September 30, 2004, we employed 33 military, 286 civilians, and 283 contract employees, and processed over 2.2 million travel reimbursement claims. 380,000 of these claims were specifically related to the Mobilized Guard and Reserve forces, which is the focus of my testimony today.

Normally, Mobilized Guard and Reserve soldiers are sent directly to an overseas combat theater of operation, or used at various stateside locations as backfill behind active component soldiers who are sent to the combat theater. Soldiers deployed to the combat area where government lodging and meals are provided are entitled to a flat rate of three dollars and fifty cents per day. Soldiers assigned to stateside locations in a temporary status are entitled to full per diem to cover allowable travel expenses including lodging and meals, if adequate government quarters and meals are not available. Individuals in the combat area file a voucher for reimbursement of their travel expenses upon completion of their active duty tour. Mobilized soldiers who remain stateside not near their home are eligible to file accruals every 30 days in order to pay the bills they've incurred.

During the summer of 2003, we witnessed a dramatic increase in the number of Mobilized Guard and Reserve soldiers and consequently an increase in the number of travel claims. This spike in travel claims temporarily overwhelmed our DFAS staff. To address this issue, we partnered with the U.S. Army and secured additional funding to hire contractor personnel. In addition, we obtained the help of US Army Reserve and Army National Guard finance units to assist us in processing claims and reducing the backlog. Within 30 days, the turn-around time decreased to the DFAS standard of 8 business days; it has remained in that range since. While our processing time has been at an acceptable range for the past 18 months, there are two other issues that the Government Accountability Office (GAO) draft report (GAO-05-79) "Army National Guard: Inefficient, Error Prone Process Results in Travel Reimbursement Problems for Mobilized Soldiers" highlighted.

The first area the GAO review noted that required immediate attention was the payment of interest for interim vouchers. We were not paying members interest on accrual claims when the processing time exceeded 30 days, as required by the Travel and Transportation Reform Act. In the course of GAO's review they brought this to our attention, and we immediately changed our procedures to comply with the Act.

The other significant area relates to the number of claims returned to the service members because they were not properly completed and documented in order for us to make payment. These incomplete claims are returned for various reasons including missing travel orders, missing receipts, missing signatures, or incomplete or illegible itineraries. We have partnered with the leadership of the Guard and Reserve in providing trend analysis data on the types of problems occurring so command's can focus their corrective action. We also have provided additional education on the travel reimbursement process to travelers. Specific examples of actions we have taken include:

- Developed and distributed handouts at mobilization and demobilization sites that explain how to prepare the travel reimbursement

claim and what supporting documentation is needed. This information is also available on both the DFAS and Army Knowledge On-Line Web sites.

- Partnered with the Army National Guard in developing a detailed information packet, entitled “The Citizen Soldier’s Guide to Mobilization – Finance”, that explains the various authorized entitlements while in a temporary change of station status.
- Visited select mobilization and demobilization sites to provide hands-on instructions on how to complete the travel reimbursement claim.

As a result of these actions, we have been partially successful in correcting problems associated with returned claims. The returned/rejected rate is now around 12 to 15 percent, down from the previous rate that was 25 percent or higher. We continue to work with the leadership of the Army, Guard, Reserve and specific units to drive this rate down even further.

The Department’s ultimate solution for travel pay reimbursement is the Defense Travel System (DTS). DTS is a Web-based end-to-end process that will ease the administrative burden on the traveler, and simplify many of the complex entitlement rules in the manual paper intensive process currently used today. DTS will be available to support mobilized Guard and Reserve soldiers prior to the end of FY06.

Mr. Chairman, DFAS remains fully committed to our continuing partnership with all Service components in improving the accuracy and timeliness of travel reimbursement services. We will remain steadfast in taking aggressive action, and we will look forward to reporting our results to the GAO and to the Committee. Mr. Chairman, this concludes my formal remarks and I will be happy to answer any questions the Committee may have. Thank you.